

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

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**The Berkshire Gas Company**

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**D.T.E. 02-81**

- AG-1-1      Refer to Ms. Zink's Testimony, pp. 7-8. Please explain why the contract negotiations took more than 5 months to complete (May 3, 2002 through the end of October 2002). Include details of each point subject to negotiation. For each contract term negotiated, provide the original position of each party and the final position to which the parties agreed.
- AG-1-2      How much of the Company's Domestic gas supply will be provided by BP during the term of the contract? How much of the Company's Normal Winter sendout will be supplied by gas purchased under the BP agreement? Include all supporting calculations, workpapers and assumptions.
- AG-1-3      If any other Energy East Company has entered into gas supply contracts with BP, please provide the amount of each such company's domestic gas supply that will be provided by BP, and how much of each such company's normal winter sendout will be supplied by gas purchased from BP. Include all supporting calculations, workpapers and assumptions.
- AG-1-4      Refer to Request for Proposal ("RFP") § D. Explain, in detail, the basis for the Company's decision not to purchase any of its domestic gas at a fixed price at the wellhead/production areas or in market areas? Include all analyses, documentation, communications supporting the Company's decision.
- AG-1-5      Provide all analyses, memoranda, presentations, and internal and external communications regarding the development of the Company's April 2002 RFP. Include copies of all draft versions of the RFP. Provide the names and titles of all individuals (employees, consultants and others) that were responsible for the development of the RFP.
- AG-1-6      Provide the selection criteria used to evaluate the RFP responses. Discuss how these criteria were chosen. Provide the names and titles of all individuals (employees, consultants and others) that were responsible for the evaluation of the RFP responses.
- AG-1-7      Provide all the analyses of the RFP responses. Provide a full and detailed explanation of the evaluation process. Include all materials, communications

internal and external (including communications with RFP respondents), supporting workpapers, calculations and assumptions.

- AG-1-8      How will the Company assure its customers that the indices used for gas pricing under the agreement with BP are not manipulated, inappropriately influenced or based on inaccurate information. See pages 41-55 from August 2002 FERC Staff Report, "Initial Report on Company-Specific Separate Proceedings and Generic Reevaluations; Published Natural Gas Price Data; and Enron Trading Strategies" filed in Docket No. PA02-2-000, Fact-Finding Investigation of Potential Manipulation of Electric and Natural Gas Prices. The full document is available at the FERC website:  
<http://www.ferc.fed.us/electric/bulkpower/pa02-2/Initial-Report-PA02-2-000.pdf>  
Please discuss in detail all investigations the Company has undertaken to assure the accuracy of the index price related to savings under the alliance/optimization agreement approved in DTE 01-41 and 02-19.
- AG-1-9      What assurances does the Company offer that the supply pricing under the BP contract will not be influenced by the Company's and BP's ability to benefit financially from related transactions under the alliance/optimization agreement approved by the Department in DTE 02-19. Would the Company agree to an independent audit of all related transactions?

January 13, 2003